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STATE BOARD OF EQUALIZATION

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Executive Secretary

February 22, 1985

No. 85/20

TO COUNTY ASSESSORS:

DISABLED VETERANS PROPERTY TAX EXEMPTIONS

As we advised you in Assessors' Letter 84/99, Senate Bill 1425 (Chapter 1332, stats., 1984) increases to \$100,000 the amount of exemption available to veterans or unmarried surviving spouses of veterans who qualify for the exemption as totally disabled. It also eliminates the household income test for these claimants.

With Assessors' Letter 85/15 we sent you the disabled veterans exemption claim and termination forms which were revised to reflect this change in the law. The purpose of this letter is to provide guidance in administering this exemption under the new law.

While this bill increases the amount of exemption to \$100,000 and removes the income test for those claimants who are rated as totally disabled, the \$40,000 or \$60,000 (with income limits) exemptions remain in the law for claimants eligible for the exemption due to blindness or the loss of use of two or more limbs. However, the Veterans Administration makes no such distinction and defines veterans who are blind in both eyes or have lost the use of two or more limbs as totally disabled. Thus, virtually all claimants will be eligible for the \$100,000 exemption.

Please note that Senate Bill 1425 does not amend Section 276 of the Revenue and Taxation Code which provides for late filed exemptions. Therefore, Section 276 applies only to claimants filing for the \$40,000 or \$60,000 Exemption (blind and loss of limbs) and there are no late filing provisions for the \$100,000 exemption (totally disabled). The instructions to the claim form (Time for Filing; Alternative One) have been revised to so state. Urgency legislation to amend Section 276 to provide for late filed \$100,000 exemptions is being considered.

To ensure that all eligible claimants for the Disabled Veterans Exemption receive the maximum allowable amount of exemption under the new law, we ask that you implement the following procedures as soon as possible:

Totally Disabled

Identify those claimants who received the exemption last year based on their being 100 percent totally disabled. These claimants are now eligible for an exemption of up to \$100,000 of assessed value. Because of the one-time filing provisions for this exemption, a new claim form is not necessary: you need only to increase the amount of the exemption to the \$100,000 limit.

New claimants first filing in 1985 as 100% totally disabled must file the claim form with the assessor by April 15, 1985 or the exemption cannot be allowed for 1985. In the case of the \$100,000 exemption late filing under the provisions of Section 276, Revenue and Taxation Code has not been provided for.

Blind or Loss of Use of Limbs (reclassified totally disabled)

Claimants who received the exemption last year based on blindness or loss of use of limbs and who have provided the assessor with a copy of a letter from the Veterans Administration or military service stating that prior to March 1, 1985 the veteran was rated as 100% totally disabled or 100% unemployable, are eligible for the \$100,000 exemption. However, a new claim form must be filed with the assessor by April 15, 1985. These claimants should be sent a new claim form and advised through an in-house letter that they: (1) are now classified as totally disabled; (2) they must complete the new claim form and indicate they are totally disabled; (3) they no longer have to provide an income figure; and (4) there is NO LATE FILING.

A number of assessors have reported that they have assisted all of their blind and loss of use of limb veterans to obtain the totally disabled classification. The exemption supervisor should ensure that they all file timely.

Blind or Loss of Use of Limbs (NOT reclassified as totally disabled)

Claimants who received the exemption last year based on blindness or loss of use of limbs but do not provide the assessor with a copy of a letter from the Veterans Administration or military service stating that prior to March 1, 1985 the veteran was rated as 100% totally disabled or 100% unemployable, should be treated the same as before (continue the \$40,000 exemption and send claims on which to report income in order to allow the \$60,000 exemption if the income requirements are met).

New claimants who file late and qualify for the exemption based on blindness or loss of use of limbs, but who do not qualify as totally disabled, are still eligible for the \$40,000 or \$60,000 exemption and the late filing provisions of Section 276 apply.

Enclosed is a copy of Senate Bill 1425. If you have any questions regarding the new law or these procedures, please contact Bill Minor or Bill Grommet of this division. Their phone number is (916) 445-4982.

Sincerely,



Verne Walton, Chief
Assessment Standards Division

VW:wpc
Enclosure
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